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**BEFORE THE
FEDERAL COMMUNICATIONS COMMISSION**

SEP - 5 2001

In the Matter of)
Petition of WorldCom, Inc. Pursuant)
to Section 252(e)(5) of the)
Communications Act for Expedited)
Preemption of the Jurisdiction of the)
Virginia State Corporation Commission)
Regarding Interconnection Disputes)
with Verizon-Virginia, Inc., and for)
Expedited Arbitration)

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

CC Docket No. 00-218

REBUTTAL TESTIMONY OF SHERRY LICHTENBERG

ON BEHALF OF WORLDCOM, INC.

(Issues IV-59, IV-74, III-16, IV-91, IV-97, and IV-110)

September 5, 2001

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1 WorldCom and its subsidiary, MCImetro Access Transmission Services, Inc.
2 (hereinafter, "MCImetro"), in the Michigan, Illinois, Texas, New York, Pennsylvania,
3 Massachusetts, New Jersey, Virginia, Florida, and California third party Operations
4 Support Systems ("OSS") testing efforts. My AT&T experience includes working on the
5 development of the System 85 and System 75 (major Private Branch Exchanges
6 ("PBXs")), product marketing and product management in both the large business and
7 federal areas.

8 **Q. What is the purpose of your testimony?**

9 A. In this testimony I will respond to Verizon's testimony related to billing
10 arrangements, branding, confidentiality, CPNI, and requiring written proof of customers'
11 consent to subscribe to services. Specifically, I will address Issues IV-59, IV-74, III-16,
12 IV-91, IV-97, and IV-110.

13 **Issue IV-59**

14 *Should Verizon be required to provide WorldCom with electronic copies of their*
15 *Universal Service Order Codes ("USOCs"), their corresponding alpha-numeric*
16 *descriptions, and Feature Identifications ("FIDs")?*

17 **Q. Have the parties resolved this issue?**

18 A. Yes. WorldCom accepts the contract language that Verizon provided in its direct
19 testimony on this issue.

20 **Issue IV-74**

21 *Should the Interconnection Agreement set forth the requirements for interim and*
22 *standard billing, and collocation billing arrangements between the parties?*

1 **Q. Please summarize WorldCom's position on Issue IV-74.**

2 A. WorldCom has proposed that the interconnection agreement contain requirements
3 for interim and standard billing, and collocation billing arrangements between the parties.
4 Specifically, WorldCom proposed that billing be provided electronically, in BOS-BDT
5 format, and that the electronic bills serve as the bill of record.

6 **Q. Please summarize Verizon's direct testimony on this issue.**

7 A. Verizon's Business Process witness panel states that Verizon has modified its
8 proposed contract language, and asserts that the modified contract language should
9 address WorldCom's concerns. In addition, Verizon's witness panel asserts that the
10 factual basis for Verizon's position can be found in its Response to WorldCom's
11 Statement of Unresolved Issues.

12 **Q. Does Verizon's proposed contract language address WorldCom's concerns?**

13 A. No. Verizon's language does not address WorldCom's concern that bills be
14 provided electronically, and that the electronic bills serve as the bill of record. As I
15 explained in my direct testimony, paper bills are unwieldy and difficult to audit; therefore
16 Verizon's failure to designate this form of billing in its modified language makes this
17 proposal unacceptable. I also explained in my direct testimony that a requirement that
18 electronic bills serve as the bill of record is necessary to ensure that Verizon complies
19 with the industry standard and sends accurate electronic bills. In addition, WorldCom
20 objects to the portion of Verizon's contract language that states that payments will be
21 provided through electronic funds transfer. WorldCom makes payments with checks, and
22 WorldCom's systems do not currently support electronic funds transfer.

1 **Q. Do you agree with the statements that appear in Verizon's Response to**
2 **WorldCom's Statement of Unresolved Issues?**

3 A. No. In its Response, Verizon asserts that these requirements should not
4 be included in the interconnection agreement, and that the billing standards listed on its
5 website are sufficient. As I explained in my direct testimony, it is critical that these
6 obligations be memorialized in the parties' interconnection agreement. At the outset,
7 WorldCom's past experience with Verizon has demonstrated that Verizon generally does
8 not offer appropriate billing unless it is contractually obligated to do so. Further, if
9 Verizon is allowed to simply publish this information on its website, which it may
10 unilaterally change at any moment, WorldCom has no assurance that Verizon will
11 continue to comply with these billing standards.

12 In addition, WorldCom should not be required to rely on Verizon's website
13 because the material contained on that site is developed by Verizon alone, and is not
14 mutually agreed-to or negotiated language. Indeed, other carriers generally have no
15 opportunity to present their views on these terms. The interconnection agreement, in
16 contrast, memorializes terms that have been discussed and negotiated by each party, and
17 potentially arbitrated by a commission. This type of collaborative process is the
18 appropriate means of adopting terms for an important issue such as billing.

19 In sum, given the significance of this issue, the fact that Verizon may currently
20 list this information on its website gives WorldCom little comfort.

21 **Q. Do you propose any modifications to WorldCom's proposed contract**
22 **language?**

1 A. Yes. Upon review of the language that appears in section 9.2 of Verizon's
2 modified language, which is similar to the language that appears in section 3.1.2.2 of
3 WorldCom's proposed Attachment VIII, it has become clear that the agreement should
4 define the bill due date in relation to the date on which the bill is received or loaded, and
5 not in relation to the invoice date. Otherwise, there will not be a full thirty day period in
6 which to process and pay the bills, and WorldCom may only have twenty days to
7 complete this task. Given the increasing number of UNE-P customers that WorldCom
8 serves, and the exponential growth in billed data that accompanies the addition of a single
9 customer, a twenty day period simply does not provide sufficient time to process and
10 audit the charges. Therefore I propose that section 3.1.2.3 of WorldCom's originally
11 proposed contract language be modified to read as follows (additions noted in bracketed
12 and bold text, and deletions noted in strike-through text):

13 3.1.2.3 The providing Party and the purchasing Party will use reasonable
14 commercial efforts to establish the same monthly billing date ("Bill Date")
15 for each purchasing Party account within the state. The providing Party
16 will include the Bill Date on each invoice transmitted to the purchasing
17 Party. ~~The payment due date (as described in this Attachment) shall be~~
18 ~~thirty (30) calendar days after the Bill Date.~~ The providing Party will
19 transmit all invoices within ten (10) calendar days after the Bill Date. Any
20 invoice transmitted on a Saturday, Sunday or a day designated as a holiday
21 by the Parties' bill processing departments will be deemed transmitted on
22 the next business day. **[Except as otherwise provided in this**
23 **Agreement, payment of amounts billed for Services provided under**

this Agreement, whether billed on a monthly basis or as otherwise provided in this Agreement, shall be due, in immediately available U.S. funds, thirty (30) calendar days after the date on which the bill is Loaded and/or received by the purchasing party (the "payment due date"). If the providing Party fails to transmit an invoice within the time period specified above, the payment due date for that invoice will be extended by the number of days it is late.

Issue III-16

Should the Interconnection Agreement address transfer of service announcements for when a subscriber changes service to another carrier and does not retain their prior telephone number?

Q. Has this issue been resolved?

A. Yes. WorldCom and Verizon have resolved their dispute regarding the provision of transfer of service announcements.

Issue IV-91

Should the Interconnection Agreement contain detailed provisions setting forth how branding will occur?

Q. Please summarize WorldCom's position on branding.

A. As I explained in my direct testimony on this issue, WorldCom objects to Verizon's proposal that branding only be provided in a pure resale context. WorldCom needs access to branding of operator services and directory assistance for its UNE-P customers, and has therefore proposed that it be allowed to purchase branding for use in that context.

1 **Q. Please summarize Verizon’s testimony on this issue.**

2 A. Verizon’s General Terms and Conditions witness panel objects to WorldCom’s
3 proposed branding provisions because, according to Verizon, Verizon only has an
4 obligation to provide branding when a CLEC purchases OS/DA as part of the resale of
5 services. Verizon contends that where WorldCom leases Verizon’s network elements as
6 part of a UNE-P configuration, no such branding obligation applies. In addition, Verizon
7 claims that WorldCom “misunderstands” what it leases when it provides its customers
8 with services using UNE-P, and that WorldCom could use customized routing or make
9 arrangements with third-party sources to provide OS/DA to its UNE-P customers.
10 Finally, Verizon characterizes WorldCom’s position on this issue as an attempt to
11 circumvent the UNE Remand Order and obtain OS/DA as a UNE.

12 **Q. Is WorldCom’s proposal that branding be allowed outside the pure-resale**
13 **context, e.g., for OS/DA services provided to UNE-P customers, reasonable?**

14 A. Yes. As I explained in my direct testimony, the means by which WorldCom
15 provides service to its customers should not prevent it from obtaining branding for
16 OS/DA. In other words, WorldCom requests that the agreement’s branding provisions be
17 written in such a way that branding is not limited to a single form of market entry.

18 As this Commission recognized in the Local Competition Order, branding is
19 important for several reasons. Branding services with the name of the CLEC with whom
20 the end-user has a subscription “minimize[s] customer confusion,” and protects CLECs
21 from the competitive disadvantage that results from having services branded under the
22 name of their chief competitor. See Local Competition Order ¶ 971. Although those
23 concerns were discussed in the context of resale, the same principles would apply in other

1 contexts. Verizon has not offered any arguments that suggest that branding is any less
2 important to CLECs providing service to customers through other methods, such as
3 UNE-P, and there is therefore no reason to adopt Verizon's proposal that branding be
4 limited to the resale context.

5 **Q. Has WorldCom proposed that it receive branding free of charge?**

6 A. No. Although Verizon continues to suggest that WorldCom is seeking branding
7 at no charge, that is not what WorldCom has proposed. Instead, WorldCom proposes that
8 it be allowed to purchase branding of OS/DA, at the applicable rates, and use that
9 purchased branding in conjunction with the UNE-P services that it uses to serve its
10 customers' other needs. Verizon has allowed WorldCom to purchase OS/DA branding
11 for use in conjunction with UNE-P in New York, Massachusetts, and Pennsylvania.

12 This issue is similar to Issue IV-84, which is discussed in the testimony of
13 WorldCom witness Mark Argenbright. In his direct and rebuttal testimony, Mr.
14 Argenbright explains that UNE-P customers, whose voice service needs are served
15 through the UNE-Platform (a UNE) should be able to have their directory assistance
16 needs served through OS/DA that WorldCom purchases as a resold service from Verizon.
17 In such situations, the fact that the customers are also having some needs met through
18 UNE-P should not prevent WorldCom from obtaining the branding as a resold service,
19 and the rates applicable in that context would be resale rates.

20 **Q. Are WorldCom's proposals an attempt to circumvent applicable law?**

21 A. No. Verizon's claim that WorldCom is attempting to circumvent the UNE
22 Remand Order reflects a misunderstanding of WorldCom's position on this issue. At the
23 outset, whether OS/DA is or is not a UNE is not the question raised under this issue—the

1 question here is whether Verizon should limit branding to the resale context. As I
2 explained above and in my direct testimony, branding of OS/DA is important, and should
3 be granted regardless of the form in which OS/DA is obtained. In any event, WorldCom
4 has not asserted that OS/DA must always be provided as a UNE. As explained in the
5 testimony of WorldCom witness Ed Caputo, if Verizon provides adequate customized
6 routing that meets WorldCom's needs and the requirements imposed by the FCC, then,
7 consistent with the UNE Remand Order, OS/DA is not a UNE. If those requirements are
8 not met, then OS/DA is a UNE.

9 WorldCom's proposal that branding be provided for UNE-P is not inconsistent
10 with the regulatory provision that Verizon has cited regarding ILECs' branding
11 obligations in the resale context. 47 C.F.R. § 51.613(c) simply provides that "[w]here
12 operator, call completion, or directory assistance service is part of the service or service
13 package an incumbent LEC offers for resale, failure by an incumbent LEC to comply
14 with reseller unbranding or rebranding requests shall constitute a restriction on resale."
15 That provision does not state that ILECs should only provide unbranding or rebranding in
16 the resale context.

17 **Issue IV-97**

18 *Should the Interconnection Agreement contain a provision governing the parties'*
19 *responsibilities with respect to confidential information? Specifically, should the*
20 *Interconnection Agreement contain a provision that (1) defines the term confidential*
21 *information; (2) specifies a method for identifying and designating confidential*
22 *information; (3) states the obligations imposed upon the recipient of confidential*
23 *information under the Interconnection Agreement; (4) provides for limited disclosure to*

1 *third parties in certain circumstances; (5) limits reproduction of confidential*
2 *information; (6) sets forth procedures for return of confidential information, loss of such*
3 *information, and unauthorized disclosure; (7) provides certain exceptions from the*
4 *confidentiality obligations imposed by the provision in the case, for example, of*
5 *information publicly available or legally compelled disclosure; (8) provides for survival*
6 *of confidentiality obligations following expiration, cancellation or termination; (9) makes*
7 *clear that disclosure to a Party does not affect property rights in the information; (10)*
8 *provides for equitable relief, including injunctive relief and specific performance, for a*
9 *breach of confidentiality; (11) makes clear that it provides additional confidentiality*
10 *protections to those existing under Applicable Law; (12) sets forth obligations with*
11 *respect to access, use, or disclosure of Customer Proprietary Network Information*
12 *(CPNI) or other customer information; and (13) makes clear that it does not limit the*
13 *rights of either Party with respect to its own subscriber information?*

14 **Q. Please summarize WorldCom's position on Issue IV-97.**

15 A. Although Verizon now appears to claim otherwise, this issue was narrowed
16 during negotiations and mediation, and the parties' remaining dispute concerns one
17 question—whether the interconnection agreement should contain Verizon's proposed
18 language, pursuant to which Verizon could monitor CLECs' usage of and access to
19 CPNI. As I explained fully in my direct and rebuttal testimony on Issue I-8, WorldCom
20 objects to giving Verizon a right to monitor its CPNI usage because monitoring carries a
21 serious risk of abuse, and gives Verizon access to sensitive information regarding
22 WorldCom's marketing efforts and success.

23 **Q. Please summarize Verizon's direct testimony on this issue.**

1 A. Verizon misstates the outcome of negotiations, and retreats to its initial position
2 on this issue—that it cannot agree to any of WorldCom’s confidentiality language unless
3 its proposed language regarding monitoring of CPNI is included in the agreement. To
4 support its position regarding electronic monitoring, Verizon asserts that this provision is
5 needed to deter CLEC “surfing” of its CPNI databases or other improper uses of CPNI,
6 and that an auditing right is insufficient because audits can only be done infrequently.

7 **Q. Do you agree with Verizon’s position?**

8 A. No.

9 At the outset, Verizon should not be allowed to reaffirm its initial position on this
10 issue when, both during mediation and subsequent negotiations, it has indicated that it
11 would accept the remaining confidentiality provisions and narrow the dispute to the
12 electronic monitoring clauses. An email sent by Verizon confirming this agreement is
13 attached at the end of this testimony as Exhibit A. In any event, Verizon has not
14 identified any flaws in the remaining confidentiality provisions, and therefore has no
15 basis for its assertion that the Commission should reject those provisions if it does not
16 accept Verizon’s proposed electronic monitoring language.

17 Second, Verizon’s suggestion that it cannot understand why WorldCom would
18 object to this proposed language is somewhat disingenuous. During mediation and
19 negotiations, WorldCom explained its concerns to Verizon in great detail. As I discussed
20 in my direct and rebuttal testimony on Issue I-8, WorldCom has very serious concerns
21 about the implications of allowing Verizon to electronically monitor WorldCom’s CPNI
22 access and usage. Electronic monitoring would effectively allow Verizon to watch
23 WorldCom’s marketing activity and determine which Verizon customers have considered

1 switching to WorldCom. A company should not be given access to such information
2 regarding its competitor's marketing activities, and allowing Verizon to monitor such
3 activities invites abuse. The risk of abuse is particularly strong where, as here, the
4 electronic monitoring right is defined very broadly. Verizon has utterly failed to identify
5 any limiting principle on its proposed monitoring right, and in its Response to
6 WorldCom's Second Set of Discovery Requests, Verizon states that it cannot even define
7 the activities that it would deem an "abuse" or "misuse" of CPNI. Thus Verizon's
8 language would allow Verizon to scrutinize WorldCom's access to CPNI whenever it so
9 desired. In sum, as I explained in my direct and rebuttal testimony on Issue I-8, giving
10 Verizon such a sweeping right to electronically monitor CPNI would be extremely
11 harmful to WorldCom.

12 Further, Verizon's description of electronic monitoring as a necessary deterrent to
13 improper CLEC actions is objectionable for several reasons. First, to my knowledge,
14 WorldCom has never been accused of surfing through Verizon's CPNI database, let alone
15 being "predisposed to engage in . . . inappropriate conduct;" therefore, there is no basis to
16 assume that Verizon needs a weapon as intrusive and harmful as electronic monitoring to
17 deter any such wrongdoing by WorldCom. Indeed, Verizon acknowledges in its
18 Response to WorldCom's Second Set of Discovery Requests that, although the current
19 interconnection agreement contains the electronic monitoring language that Verizon
20 desires, Verizon does not currently electronically monitor WorldCom's use of CPNI.
21 The fact that Verizon has not yet used this right confirms my belief that WorldCom has
22 not engaged in any improper actions that would warrant granting Verizon the electronic
23 monitoring right. Second, as I stated in my direct and rebuttal testimony on Issue I-8,

1 given the existence of statutory and regulatory requirements preventing such conduct,
2 allowing Verizon to assume the policing role it desires would be inappropriate. If
3 Verizon believes a CLEC is misusing CPNI by surfing through its databases, violating
4 the slamming rules, or engaging in other inappropriate actions, it should alert the relevant
5 commission of its concerns.

6 Finally, I do not agree with Verizon's statement that audits are not an adequate
7 remedy. Even assuming that an audit is cheaper and less time-consuming for Verizon
8 than electronic monitoring, the fact remains that electronic monitoring is substantially
9 more invasive and burdensome for WorldCom than an audit. If Verizon prefers to simply
10 wait until it is "suspicious" to request an audit, rather than using periodic audits to
11 determine whether it should be "suspicious," it must live with the consequences of that
12 preference. That preference certainly does not warrant subjecting WorldCom to
13 electronic monitoring.

14 **Issue IV-110**

15 *Should the interconnection agreement contain a provision that prohibits a providing*
16 *party from requiring the purchasing party to produce a letter of authorization, disconnect*
17 *order, or other writing, from the purchasing party's subscriber as a pre-condition to*
18 *processing an Order from the purchasing Party?*

19 **Q. Please summarize WorldCom's position on this issue.**

20 A. As I explained in my direct testimony, WorldCom has proposed contract language
21 that would prevent Verizon from requiring written proof of a subscriber's consent as a
22 pre-condition to processing an order from WorldCom. Requiring such written proof is
23 unnecessary, and would delay the provision of services to WorldCom's customers.

1 Consistent with applicable law, WorldCom currently obtains electronic authorization to
2 process orders and/or independently-verified oral consent from the customer.
3 WorldCom's proposed language ensures that WorldCom may continue to use this type of
4 authorization consistent with applicable law, and prevents Verizon from imposing
5 burdensome and unnecessary requirements as a precondition to its fulfillment of its
6 obligations under the Interconnection Agreement.

7 **Q. Please summarize Verizon's direct testimony on this issue.**

8 A. Verizon states that it will comply with applicable law, but that it fears that
9 WorldCom's proposed language would prevent it from requiring written authorization
10 when the law does require such authorization. In addition, Verizon has proposed that
11 WorldCom review the language that appears in sections 18.3.1 and 18.3.2 of the Verizon-
12 AT&T agreement.

13 **Q. Do you agree with Verizon's position?**

14 A. WorldCom did not propose this language to prevent compliance with governing
15 law, but instead seeks to prevent Verizon from nullifying the non-written forms of
16 authorization that the law allows. Both parties' concerns could be addressed by
17 modifying the proposed language to allow written authorization only if such
18 authorization is expressly required by law.

19 Verizon's proposed sections 18.3.1 and 18.3.2 do not address WorldCom's
20 concerns because, as drafted, they leave open the possibility that Verizon could require
21 WorldCom to provide written proof of its compliance with the relevant rules (which in
22 many instances require no written form of authorization).

23

1 **Q. Does this conclude your testimony?**

2 **A. Yes.**

3

1 **Exhibit A**

2 **From:** ANTONIOU, CHRISTOS T. [christos.t.antoniou@verizon.com]
3 **Sent:** Thursday, August 16, 2001 9:44 PM
4 **To:** Kelley, Jodie L
5 **cc:** matthew.harthun@wcom.com; john.monroe@wcom.com; ron.martinez@wcom.com;
6 Schneider, Mark D
7 **Subject:** WorldCom VA Arbitration: Resolved Issues for Filing w/FCC
8
9 **Importance:** High

10
11
12 Jodie:

13
14 Further to my voicemail, Verizon has only one change: per your e-mail
15 of earlier today, issue VI-1(W)(warranties) is closed and should be
16 added to the list. In addition, I agree with you that the only aspect
17 of issue IV-97 that is open is electronic monitoring of CPNI. I look
18 forward to receiving any replies that WorldCom has on proposed language

19
20 -- particularly to the latest provisions for resale, discontinuance of
21 service, and assignments. In the meantime, Verizon is continuing to
22 review provisions that WorldCom has suggested.

23
24 Chris

25
26 Chris T. Antoniou
27 Senior Counsel
28 Verizon
29 (703) 974-4857

30
31 Forward Header

32
33 Subject: Resolved issues

34
35 Author: Jodie L" <jkelley@jenner.com>@VZNOTES> "Kelley; Jodie L"
36 <jkelley@jenner.com>@VZNOTES" <NOTES:"Kelley at GCOHUB
37 Date: 8/14/01 4:20 PM

38
39 Chris/Kelly:

40
41 Here is a new shot at a list of issues I believe are resolved.

42
43 The issues I have listed as fully and finally resolved are as follows:

44
45 III-16

46 IV-9, IV-10, IV-13, IV-16, IV-17, IV-20, IV-22, IV-26, IV-27, IV-33, IV-43,
47 IV-44, IV-46 through 55, IV-57, IV-58, IV-60 through 73, IV-75 through 78,
48 IV-82 (WCom joins V-11); IV-83, IV-86, IV-87, IV-89, IV-90, IV-92 through
49 94, IV-96, IV-98 through 100, IV-102 through 105, IV-108, IV-109, IV-111,

50
51 IV-112, IV-114 through 118,

52 IV-122 through 125, IV-127, IV-128

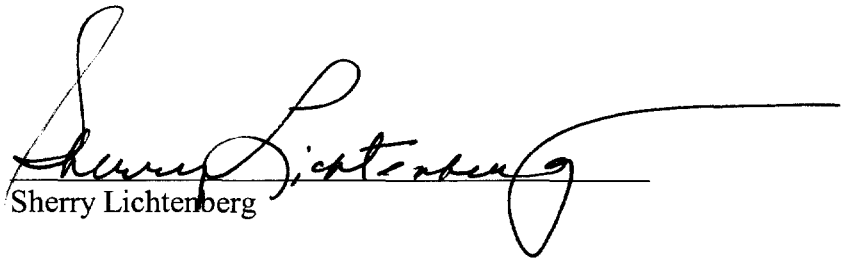
53 VI-1(D), VI-1(F) through VI-1(M), VI-1(S), VI-1(U), VI-1(V), VI-1(X),

54 VI-1(Z), VI-1(BB)

1 VI-2(A), VI-2(B)
2 VI-3(A), VI-3(C) through (K)
3
4 Right of way I'm following up on.
5 IV-59 -- I'll send a separate e-mail to Chris.
6 IV-97 we think is closed except for monitoring of CPNI.
7
8 Please let me know if you think I've captured this correctly.
9
10 Jodie
11
12

I, Sherry Lichtenberg, hereby certify under penalty of perjury that the foregoing is true and correct.

Executed on August 31, 2001.


Sherry Lichtenberg

*District of Columbia, ss:
Subscribed and sworn to
before me this 31st day
of August, 2001.*

Caroline E. Frazer

**MY COMMISSION EXPIRES
JUNE 14, 2004**